

ATTN: International Tax Reform Working Group

April 14, 2013

Dear Representative Nunes and Blumenaur,

Please, *please* consider the American Citizens Abroad proposal for reform to Residency-based taxation RBT. See link:

<http://americansabroad.org/files/6513/6370/3681/finalsbrbtmarch2013.pdf>

Citizenship-based taxation is starting to cripple the lives of Americans abroad, many whom are either born abroad or whose spouses happen to not be American. The solution is not as simple as telling us to "go home" because with non-American family, America may not be "home", let alone a place where a job is waiting for us.

I was born and raised in Columbus, Ohio, where I lived until I was 21. I met the love of my life in Switzerland. He is half Swiss, half Brazilian. Our family will never be just one citizenship or one culture. Our future children will be citizens of the world, or so I hope.

So what does it mean to be an "American" working abroad in Switzerland?

Americans are routinely blacklisted from banks here. Almost no one wants to work with us anymore because our filing status is confusing, complicated and we present a huge liability to banks. Many people here refer to the US as "sue-happy" and they are afraid the IRS will come after them like UBS and sue for millions, or even billions. Banks can't take that chance, and I don't blame them for not wanting that liability. I blame the US for making these unfair policies.

I now have a very limited choice of banks I can work with. I cannot open an account anywhere my husband can. I cannot shop around for the best interest rate. Every bank here refuses to let me invest money anywhere but in the US because of tax reasons. So if I want to invest in stocks, I must deal with currency conversion and take a risk on how low the US Dollar continues to drop.

Last year my husband and I were preapproved for a mortgage with Axa-Winterthur. We made plans to sign a contract for a new build flat to be completed in one year only to find out that 3 weeks after we'd met with them, Axa-Winterthur had a brand new policy that they did not accept any American customers for anything. Before we went ahead with our home purchase, I contacted 30 banks here to see if they still accepted Americans and 10 still did. But I can tell you, it makes me feel *sick* to my stomach to hear over the phone that I am ineligible because I am American. My husband and I both have good jobs and no debt, but I cannot change my citizenship. It is who I am.

This March we went to finalize our mortgage and found that only **four of those banks** would still accept Americans. It did not matter if my husband is Swiss, as long as I am American and part of the contract, we had trouble. We certainly did not have the opportunity to choose the best bank to work with and it is only a number of years before I have to close down my accounts here and start hiding my money under my mattress. The IRS is encouraging this kind of discrimination by making it increasingly unattractive to work with Americans.

Double Tax: The IRS does not recognize my Swiss pension. I am obligated to pay US taxes on my Swiss pension now and then I will be obligated to pay Swiss taxes on the pension when I start receiving it at retirement. I am also double taxed on the savings I put into the Swiss version of the Traditional IRA. The IRS does not recognize it as tax-free, so I pay taxes now and then I will pay Swiss taxes when I withdraw that money.

Taxation without Representation: You can rest assured that while I am an active voter in Ohio, the State Representatives and Senators in Ohio definitely do not have my future in mind. They are not really representing an Ohioan abroad at all. Not that they even notice, but I'm sure they appreciate I pay taxes without using or enjoying any of the benefits US tax pays for in our country.

Lose-Lose Tax Tips: When I follow sound tax advice in Switzerland to lower my Swiss taxes, it only raises my US tax obligations because the two are directly related. The worse the US Dollar is doing against the Swiss Franc, the higher my salary in Swiss Francs seems and the higher I am pushed over the foreign income exclusion limit. Strong Franc = More US taxes. The US is punishing me for living in a country with a stronger economy.

The IRS also ignores that while I "enjoy" lower taxes in Switzerland, my cost of living is 3X that of what it would be in the States and that I need my non-taxed money to pay for the higher priced services and goods here. I work hard, but I am by no means "rich". My 1BR flat is furnished sparsely in IKEA and hand-me-downs from my parents-in-law. I am not trying to hide anything from the US, but I feel like the only people that should be paying taxes on foreign income are the rich fat cats that ARE domiciled in the US who are actively and purposefully evading taxes. These Americans living in America do deserve to be punished. I pay my Swiss taxes, so please don't take me accountable for these other Americans. We are not the same at all.

FATCA and FBAR: My husband and I have to keep all our money separate because it is a violation of his privacy for the US to force me to list his accounts and money on my FATCA and FBAR forms if I have access to it. He is Swiss, his money is Swiss and the IRS should not be wasting money trying to collect information on a non-American like this.

We want to have children some day, but as it stands now, I really do not want those children to be American, which surprises my husband. But if we raise children in Switzerland or Brazil or somewhere in the world, I do not want to burden my kids with a lifetime of US taxes that they did not ask for. I refuse to burden my children with banking discrimination and cripple their investment opportunities forever. It is not worth it.

Personally I cannot give up my citizenship because I need to be able to visit my mother, father and 8 siblings back in America. I need to have the opportunity to move back to America for my family. If I did not have family there, I would give up my citizenship in a heartbeat. Nothing is worth giving family up, but if I cannot do simple banking in Switzerland in the future... I really do not know what I will do. Being American makes life increasingly difficult here.

Please, I'm really begging... please consider the fair approach of residence based taxation. People should be taxed where they live or work, not in some far off land that they may not be able to live for various reasons. I would like to see my country stop wasting valuable time and money pursuing Americans who are trying to make a living abroad fair and square. Please seriously consider the RBT proposal submitted by American Citizens Abroad (ACA). Please help make being American something good again in today's global economy.

Yours sincerely,

Katherine Helfenberger